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U.S. Government Estimates of Quarterly Revenue for Selected Services

Intention to Revise Services Estimates: Quarterly services revenue estimates will be revised based on the results of the 2004 Service Annual Survey and 2002 Economic Census. Revised data are scheduled for release on March 15, 2006. Except for the information sector, all revised data will be based on 2002 North American Industry Classification System (NAICS) definitions. For information, the quarterly and annual data use 1997 NAICS. The quarterly data, therefore, will be revised based on the 2002 Economic Census and annual data on a 1997 NAICS basis. We will adopt the 2002 NAICS definitions for the Information Sector in the third quarter of 2006 coinciding with the introduction of a new QSS sample.

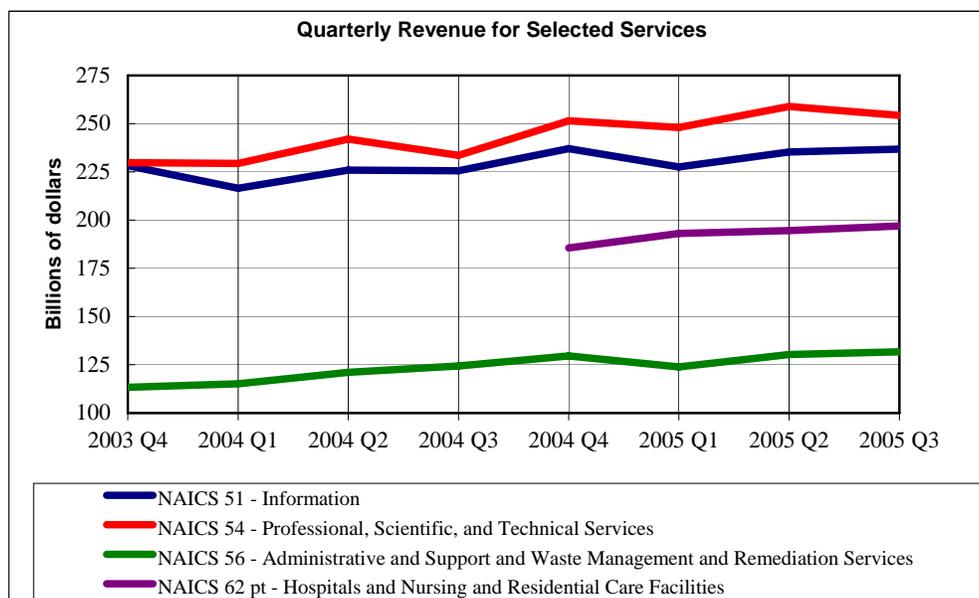
Information The Department of Commerce's Census Bureau announced today that the estimate of U.S. information sector revenue for the third calendar quarter of 2005, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$236.8 billion, an increase of 0.6 percent ($\pm 0.3\%$) from the second quarter of 2005 and up 5.0 percent ($\pm 0.8\%$) from the third quarter of 2004. The first to second quarter percent change was revised from 3.5 percent ($\pm 0.3\%$) to 3.4 percent ($\pm 0.3\%$). The telecommunications industry estimate was \$89.0 billion, an increase of 0.5 percent ($\pm 0.3\%$) from the second quarter of 2005 and up 1.8 percent ($\pm 1.0\%$) from the third quarter of 2004. The publishing subsector estimate was \$64.0 billion, an increase of 2.7 percent ($\pm 1.0\%$) from the second quarter of 2005 and up 7.5 percent ($\pm 1.5\%$) from the third quarter of 2004.

Professional, scientific, and technical services The estimate of U.S. professional, scientific, and technical services revenue for the third quarter of 2005, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$254.3 billion, a decrease of 1.8 percent ($\pm 1.7\%$) from the second quarter of 2005 and up 8.9 percent ($\pm 1.8\%$) from the third quarter of 2004. The first to second quarter percent change was revised from 4.6 percent ($\pm 1.7\%$) to 4.4 percent ($\pm 1.7\%$). The architectural, engineering, and related services industry estimate was \$60.4 billion, an increase of 5.5 percent ($\pm 4.0\%$) from the second quarter of 2005 and up 14.7 percent ($\pm 3.6\%$) from the third quarter of 2004.

Administrative and support and waste management and remediation services The estimate of U.S. administrative and support and waste management and remediation services revenue for the third quarter of 2005, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$131.8 billion, an increase of 1.1 percent ($\pm 1.3\%$)* from the second quarter of 2005 and up 6.0 percent ($\pm 2.6\%$) from the third quarter of 2004. The first to second quarter percent change was revised from 5.4 percent ($\pm 1.3\%$) to 5.2 percent ($\pm 1.3\%$). The employment services industry estimate was \$37.0 billion, an increase of 2.9 percent ($\pm 2.6\%$) from the second quarter of 2005 and up 7.1 percent ($\pm 6.3\%$) from the third quarter of 2004.

Hospitals and nursing and residential care facilities The estimate of U.S. hospitals and nursing and residential care facilities revenue for the third quarter of 2005, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$196.9 billion, an increase of 1.2 percent ($\pm 0.8\%$) from the second quarter of 2005. The first to second quarter percent change was revised from 0.9 percent ($\pm 1.0\%$)* to 0.7 percent ($\pm 0.8\%$)*.

For survey description and an explanation of the measures of sampling variability included in this report, please see the last page of this publication.



Fourth quarter 2005 revenue is scheduled to be released on March 15, 2006, at 10:00 a.m. EST. The scheduled release dates for the remainder of 2006 are as follows: June 14 (first quarter), September 13 (second quarter), and December 14 (third quarter).

This report is available on the day of issue through the Department of Commerce's STAT-USA Website; for more information, call (202) 482-1986.

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. Selected Services - Estimated Revenue for Employer Firms

[Estimates have not been adjusted for seasonal variation, holiday or trading-day differences, or price changes. Estimates are based on data from the Quarterly Services Survey]

NAICS code ¹	Kind of business	Total revenue (millions of dollars)						Percent change				Revenue to date		
		3Q 2005 (p)	2Q 2005 (r)	1Q 2005	4Q 2004	3Q 2004	2Q 2004	3Q 2005 from 2Q 2005 (p)	2Q 2005 from 1Q 2005 (r)	3Q 2005 from 2Q 2004 (p)	2Q 2005 from 1Q 2004 (r)	2005 (p)	2004	2005 from 2004 (p)
51	Information	236,794	235,307	227,592	236,969	225,588	225,858	0.6	3.4	5.0	4.2	699,693	667,901	4.8
511	Publishing industries	64,010	62,348	58,769	64,010	59,563	58,580	2.7	6.1	7.5	6.4	185,127	174,207	6.3
51111	Newspaper publishers	13,006	13,294	12,553	13,505	12,463	12,757	-2.2	5.9	4.4	4.2	38,853	37,313	4.1
51112	Periodical publishers	9,995	9,551	8,554	9,539	9,543	9,308	4.6	11.7	4.7	2.6	28,100	27,040	3.9
5111 pt	Book, database and directory, and other publishers ²	16,047	14,383	13,831	14,717	14,371	13,371	11.6	4.0	11.7	7.6	44,261	40,664	8.8
5112	Software publishers	24,962	25,120	23,831	26,249	23,186	23,144	-0.6	5.4	7.7	8.5	73,913	69,190	6.8
512	Motion picture and sound recording industries	15,713	16,627	16,957	19,539	16,012	18,074	-5.5	-1.9	-1.9	-8.0	49,297	51,261	-3.8
513	Broadcasting and telecommunications	133,877	134,068	130,466	131,507	128,829	127,865	-0.1	2.8	3.9	4.9	398,411	379,499	5.0
5131	Radio and television broadcasting	14,458	15,450	14,792	16,190	15,205	15,701	-6.4	4.4	-4.9	-1.6	44,700	44,208	1.1
5132	Cable networks and program distribution	30,444	30,114	28,289	27,641	26,242	25,802	1.1	6.5	16.0	16.7	88,847	76,518	16.1
5133	Telecommunications	88,975	88,504	87,385	87,676	87,382	86,362	0.5	1.3	1.8	2.5	264,864	258,773	2.4
51331	Wired telecommunications carriers	49,395	49,883	50,319	51,350	51,484	52,066	-1.0	-0.9	-4.1	-4.2	149,597	156,091	-4.2
51332	Wireless telecommunications carriers (except satellite)	34,675	33,621	32,019	31,641	31,367	29,759	3.1	5.0	10.5	13.0	100,315	89,340	12.3
5133 pt	Other telecommunications ³	4,905	5,000	5,047	4,685	4,531	4,537	-1.9	-0.9	8.3	10.2	14,952	13,342	12.1
514	Information services and data processing services	23,194	22,264	21,400	21,913	21,184	21,339	4.2	4.0	9.5	4.3	66,858	62,934	6.2
5141	Information services	9,237	8,900	8,649	8,923	8,281	8,272	3.8	2.9	11.5	7.6	26,786	24,473	9.5
5142	Data processing services	13,957	13,364	12,751	12,990	12,903	13,067	4.4	4.8	8.2	2.3	40,072	38,461	4.2
54	Professional, scientific, and technical services ⁴	254,296	258,873	247,941	251,500	233,571	241,999	-1.8	4.4	8.9	7.0	761,110	704,890	8.0
5412	Accounting, tax preparation, bookkeeping, and payroll services	21,069	26,347	30,204	21,085	19,990	23,572	-20.0	-12.8	5.4	11.8	77,620	71,127	9.1
5413	Architectural, engineering, and related services ⁵	60,365	57,239	53,379	55,496	52,645	56,991	5.5	7.2	14.7	0.4	170,983	160,741	6.4
5415	Computer systems design and related services	47,526	47,797	45,884	45,952	45,066	44,681	-0.6	4.2	5.5	7.0	141,207	134,714	4.8
5416	Management, scientific, and technical consulting services	33,616	33,466	31,754	31,730	29,962	30,199	0.4	5.4	12.2	10.8	98,836	87,792	12.6
5418	Advertising and related services	19,194	19,332	17,415	19,091	17,311	17,196	-0.7	11.0	10.9	12.4	55,941	50,714	10.3
541 pt	Other professional, scientific, and technical services ⁶	72,526	74,692	69,305	78,146	68,597	69,360	-2.9	7.8	5.7	7.7	216,523	199,802	8.4
56	Administrative and support and waste management and remediation services ⁷	131,788	130,301	123,881	129,561	124,355	121,139	1.1	5.2	6.0	7.6	385,970	360,580	7.0
561	Administrative and support services ⁷	117,505	117,013	111,610	115,634	110,347	108,415	0.4	4.8	6.5	7.9	346,128	321,866	7.5
5613	Employment services	37,022	35,968	35,056	37,268	34,560	33,583	2.9	2.6	7.1	7.1	108,046	98,648	9.5
5615	Travel arrangement and reservation services	7,722	8,049	7,082	6,778	6,822	7,157	-4.1	13.7	13.2	12.5	22,853	20,317	12.5
561 pt	Other administrative and support services ⁸	72,761	72,996	69,472	71,588	68,965	67,675	-0.3	5.1	5.5	7.9	215,229	202,901	6.1
562	Waste management and remediation services	14,283	13,288	12,271	13,927	14,008	12,724	7.5	8.3	2.0	4.4	39,842	38,714	2.9
62 pt	Selected health care services ⁹	196,946	194,530	193,083	189,176	NA	NA	1.2	0.7	NA	NA	584,559	NA	NA
622	Hospitals	160,670	158,671	158,080	153,629	NA	NA	1.3	0.4	NA	NA	477,421	NA	NA
623	Nursing and residential care facilities	36,276	35,859	35,003	35,547	NA	NA	1.2	2.4	NA	NA	107,138	NA	NA

(p) Preliminary estimate. (r) Revised estimate. NA Not available.

(1) For a full description of the NAICS codes used in this table, see www.census.gov/epcd/www/naics.html.

(2) Includes NAICS 51113 (book publishers), 51114 (database and directory publishers), and 51119 (other publishers).

(3) Includes NAICS 51333 (telecommunications resellers), 51334 (satellite telecommunications), and 51339 (other telecommunications).

(4) Excludes NAICS 54112 (offices of notaries), 54132 (landscape architectural services), and 54194 (veterinary services).

(5) Excludes NAICS 54132 (landscape architectural services).

(6) Includes NAICS 5411 (legal services except NAICS 54112 (offices of notaries)), 5414 (specialized design services), 5417 (scientific research and development services), and 5419 (other professional, scientific, and technical services except NAICS 54194 (veterinary services)).

(7) Excludes NAICS 56173 (landscaping services).

(8) Includes NAICS 5611 (office administrative services), 5612 (facilities support services), 5614 (business support services), 5616 (investigation and security services), 5617 (services to buildings and dwellings except NAICS 56173 (landscaping services)), and 5619 (other support services).

(9) Includes NAICS 622 (hospitals) and 623 (nursing and residential care facilities).

Note: Sector totals and subsector totals may include data for kinds of business not shown. Table 2 provides estimated measures of sampling variability. Data users who create their own estimates using data from this report should cite the U.S. Census Bureau as the source of the original data only. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/qssreliability.html.

Table 2. Selected Services - Estimated Measures of Sampling Variability

[Estimates are shown as percents and are based on data from the Quarterly Services Survey]

NAICS code	Kind of business	Median coefficient ¹ of variation for quarterly total revenue	Median standard error ¹ for percent change		Coefficient of variation for revenue to date		Standard error for percent change
			Ratio of two consecutive quarters	Current quarter to current quarter last year	2005	2004	2005 revenue to date from 2004 revenue to date
51	Information	0.6	0.2	0.5	0.6	0.4	0.4
511	Publishing industries	1.2	0.6	0.9	1.2	0.7	0.9
51111	Newspaper publishers	1.3	0.6	0.9	1.1	0.7	0.7
51112	Periodical publishers	2.2	1.1	1.3	2.5	1.6	1.2
5111 pt	Book, database and directory, and other publishers	2.8	1.6	2.3	2.5	2.3	1.9
5112	Software publishers	2.5	1.2	2.2	2.5	1.4	2.0
512	Motion picture and sound recording industries	3.0	2.2	2.9	3.2	2.4	1.8
513	Broadcasting and telecommunications	0.7	0.2	0.4	0.7	0.6	0.4
5131	Radio and television broadcasting	2.2	0.9	1.7	2.1	2.0	1.3
5132	Cable networks and program distribution	1.3	0.2	0.8	1.3	1.0	0.6
5133	Telecommunications	1.1	0.2	0.6	1.1	0.8	0.6
51331	Wired telecommunications carriers	1.4	0.3	0.7	1.5	1.3	0.7
51332	Wireless telecommunications carriers (except satellite)	0.4	0.1	0.3	0.4	0.3	0.2
5133 pt	Other telecommunications	10.9	1.7	5.0	11.5	5.9	5.0
514	Information services and data processing services	1.6	0.8	0.9	1.6	1.6	0.6
5141	Information services	2.2	1.3	1.6	1.9	1.7	1.2
5142	Data processing services	2.5	0.7	1.4	2.5	2.1	1.0
54	Professional, scientific, and technical services	1.8	1.0	1.1	1.7	1.2	0.7
5412	Accounting, tax preparation, bookkeeping, and payroll services	6.0	2.4	2.6	5.5	5.4	1.7
5413	Architectural, engineering, and related services	3.0	2.4	2.2	3.1	1.9	2.4
5415	Computer systems design and related services	3.2	1.3	2.0	3.2	2.8	1.5
5416	Management, scientific, and technical consulting services	4.2	1.7	2.8	4.2	2.7	2.6
5418	Advertising and related services	2.5	2.2	2.4	2.4	1.9	1.9
541 pt	Other professional, scientific, and technical services	2.6	2.0	2.7	2.4	1.6	1.9
56	Administrative and support and waste management and remediation services	2.6	0.8	1.6	2.5	1.9	1.0
561	Administrative and support services	2.8	0.9	1.6	2.7	2.0	1.1
5613	Employment services	6.8	1.6	3.8	6.6	5.5	2.6
5615	Travel arrangement and reservation services	7.1	2.7	4.6	7.4	6.1	4.1
561 pt	Other administrative and support services	2.2	1.2	1.7	2.2	1.3	1.7
562	Waste management and remediation services	4.0	2.3	3.3	3.6	3.6	2.8
62 pt	Selected health care services	1.6	0.5	NA	1.6	NA	NA
622	Hospitals	1.6	0.5	NA	1.5	NA	NA
623	Nursing and residential care facilities	3.1	1.2	NA	3.2	NA	NA

NA Not available.

(1) The medians are based on estimates for the most recent four quarters if available.

Note: Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/qssreliability.html.

Survey Description

The U.S. Census Bureau conducts the Quarterly Services Survey (QSS) to provide national estimates of quarterly revenue for firms located in the United States and classified in selected service industries. The QSS sample includes firms classified in NAICS 51 (Information), NAICS 54 (Professional, scientific, and technical services), NAICS 56 (Administrative and support and waste management and remediation services), or NAICS 62 (Hospitals, and nursing and residential care facilities). Each quarter, questionnaires are mailed to a probability sample of approximately 6,000 employer firms selected from the larger Service Annual Survey (SAS) sample. The QSS sample includes firms of all sizes and is updated on a quarterly basis to account for new service businesses, deaths, and other changes to the survey universe. Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. For NAICS 51 (Information), imputed revenue amounts to about 8 percent of the total revenue estimate; for NAICS 54 (Professional, scientific, and technical services) imputed revenue amounts to about 25 percent; for NAICS 56 (Administrative and support and waste management and remediation services) imputed revenue amounts to about 29 percent; and for NAICS 62 (Hospitals, and nursing and residential care facilities) imputed revenue amounts to about 18 percent. Quarterly revenue estimates are obtained by summing weighted data (either reported or imputed). The weight for each unit is a product of two factors: the reciprocal of the probability of selecting the unit into the sample and a weight that adjusts the quarterly estimates using SAS results. Additional information on the QSS can be found on the Census Bureau website at: www.census.gov/qss.

Reliability of the Estimates

Because the estimates presented in this report are based on a sample survey, they may contain sampling error and nonsampling error.

Sampling error is the difference between an estimate and the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation, as given in Table 2 of this report, are estimated measures of sampling variability.

The first page of this release gives statements that compare sample survey estimates from two points in time. The corresponding change between each pair of estimates is accompanied by a number in parentheses, called the “margin of error.” This number can be used to construct a range about the change estimate which is a 90-percent confidence interval. If, for example, a particular change estimate is +1.2 percent and its associated margin of error is ± 1.5 percentage points, then the 90-percent confidence interval for the change estimate is -0.3 percent to +2.7 percent. If the interval contains zero, then one does not have sufficient evidence to conclude at the 90-percent confidence level that the change is different from zero. The margin of error is computed by multiplying the estimated standard error of the estimate, obtained from Table 2, by 1.65. For quarterly totals, the estimated coefficient of variation (CV) is given. For these estimates, the confidence interval is computed as (the estimated quarterly total) $\pm 1.65 \times CV \times$ (the estimated quarterly total). For any change estimate cited without a margin of error, the estimate has undergone statistical testing so that one may conclude, with 90-percent confidence, that the change estimate is different from zero. The Census Bureau recommends that individuals using estimates in this report incorporate the above information into their analyses, as sampling error could affect the conclusions drawn from the estimates.

Nonsampling error is the difference between the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions and the population parameter of interest. Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the survey universe, mistakes in the recording and coding of data, model error, and other errors of collection, response, coverage, or processing. Though nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of error.